

himolla



Policy Statement of himolla-Group

PREAMBLE

The declaration of principles of himolla Polstermöbel GmbH and all its affiliated companies (hereinafter referred to as the himolla-Group) in accordance with Section 6 (2) of the German Supply Chain Duty Act (Lieferkettensorgfaltspflichtengesetz - LkSG) serves to emphasise our commitment to social and ecological responsibility in our international supply chains.

The increasing integration of **himolla- Group** into global sourcing and sales markets presents both opportunities and challenges: new markets are being developed, creating jobs and prosperity. Yet, at the same time, risks also arise from a lack of transparency and the possibly inadequate enforcement of internationally recognized human rights and environmental standards in supply chains.

This declaration forms the basis for strategies and concrete measures to minimise risks in our international supply chains, promote environmentally and socially sustainable practices and strengthen the trust of our stakeholders - above all our customers - in us.

As a company, we stand by this responsibility and would like to ensure that our suppliers also observe human rights and environmental due diligence obligations to an appropriate extent.

COMPANY PROFILE

The companies of the himolla-Group are mainly active in the manufacture and sale of furniture..

himolla Polstermöbel GmbH is a subsidiary of Welle Holding AG + Co KG, based in Paderborn, Wollmarktstr. 121, entered in the commercial register of Paderborn Local Court (HRA 2446). Further information can be found in the Welle Group's current annual financial statements.

RESPONSIBILITY

In accordance with Section 4 (3) LkSG, responsible persons have been appointed in the individual corporate groups who monitor the processes for compliance with the due diligence obligations (Section 3 (1)) and are responsible for anchoring these in all relevant business processes. The management of himolla Polstermöbel GmbH is informed about the status at least once a year.

PROCEDURES

In order to fulfil its responsibility and due diligence obligations under the LkSG, the himolla-Group has set up a risk management system in accordance with the concept of the Association of the German Furniture Industry and the German Quality Association for Furniture in order to be able to identify and assess risks relating to applicable human rights and environmental standards in its own business area and in the area of its suppliers.

Based on the risk assessment, the himolla-Group takes appropriate measures to prevent or minimise human rights or environmental risks in its own business area and at its direct suppliers and, if it has substantiated knowledge, also at its indirect suppliers.

The himolla-Group implements the following measures, among others:

RISK ANALYSIS

The companies belonging to the himolla-Group carry out an annual and event-driven risk analysis of their own business divisions and direct suppliers and, if necessary, indirect suppliers.

This risk analysis is an integrated, systematic, and annually reviewed process that includes the **identification, analysis** and **evaluation** of risks and their prioritisation. The companies belonging to the himolla-Group have developed a clear approach to tackling the challenges of their supply chains. In this way, they ensure that they fulfil their obligations under the Supply Chain Duty of Care Act.

The assessment is carried out systematically once a year by experts from the furniture industry (e.g., representatives of relevant companies and associations) with regard to the legal interests addressed in the LkSG. The experts share their expertise and experience and adapt the risk assessment for risk mapping to developments within the industry at least once a year. The entire exchange and the reasons for the adjustment are documented. If there are other relevant legal interests addressed in the LkSG for the himolla-Group, these are considered separately.

The procedure is as follows in detail:

- **Risk identification:** the overarching approach to risk identification is based on systematic data collection and processing aimed at identifying human rights and environmental risks.
- **Risk analysis and assessment:** After identification, the data is analysed and weighted. The companies use the statutory criteria for appropriateness, severity and probability of occurrence as well as the above-mentioned expert judgement. The result of this analysis provides insights into the potential risk exposure. If risks are identified in this overarching assessment, the companies carry out a detailed analysis of these risks. By using control measures such as questionnaires or audits, the companies endeavour to specify the risk exposure and identify actual negative effects on people and the environment. This enables companies to take appropriate measures to minimise risks.
- **Prioritisation of risks:** Risks are prioritised based on their severity and the himolla-Group companies' own responsibility. The assessment is based on the ability to influence and the contribution to causation.

- **Risk reports:** Annual risk analysis reports serve as an important basis for decision-making processes and make it possible to react proactively to potential risks.

Our approach to risk analysis aims to act proactively and responsibly.

Our risk analysis also includes the implementation of an effective complaints mechanism. This enables us to receive feedback and information from employees, customers, suppliers, and other stakeholders. This enables us to identify and address potential risks more quickly.

The companies of the himolla-Group will continuously develop the systemic approach of their respective risk analyses to ensure that they not only respond to known risks, but are also able to react flexibly to new developments. This comprehensive approach is an essential part of our commitment to social responsibility and sustainability in our supply chain.

PREVENTIVE MEASURES

The purpose of this policy statement is to ensure transparent and responsible supply chains. himolla-Group companies implement comprehensive prevention measures to ensure that their values and standards are adhered to throughout the supply chain. These measures are crucial to minimising potential risks. For example, supply chains are comprehensively documented.

Relationships with suppliers are based on open communication and transparency.

The companies of the himolla-Group are convinced that training and education are the key to creating ethical, responsible supply chains. Among other things, employees of the himolla-Group and, where applicable, of direct suppliers are trained in the implementation of basic ethical values in day-to-day business and the conscious awareness of violations of these values.

IDENTIFICATION OF VIOLATIONS / REMEDIAL MEASURES

If violations of basic human rights or environmental values are identified as part of risk management, the companies of the himolla-Group undertake to define and implement individual measures that lead to an end or minimisation of the violations - if necessary, also together with the direct or, if necessary, also with the indirect supplier.

EFFECTIVENESS MONITORING

Effectiveness monitoring is a critical part of the himolla-Group companies' efforts to ensure social responsibility and sustainability in their supply chains. They endeavour not only to implement measures, but also to ensure that they achieve the desired results and have a positive impact on the social and environmental aspects of their supply chains.

PRIORITY HUMAN RIGHTS AND ENVIRONMENTAL RISKS

The companies in the himolla-Group are expected to fulfil a wide range of human rights and environmental expectations, both themselves and their direct suppliers.

These include in particular:

- ***the payment of wages appropriate to the activity and in accordance with local statutory provisions***
- ***the existence of working conditions that comply with local legal provisions on labour protection and working hours***
- ***the prevention of any form of exploitation, forced labour, slave labour, child labour, human trafficking, torture, unlawful deprivation of land***
- ***acting in accordance with the principles of equal rights, regardless of gender, origin, race, language, homeland and origin, religion, political views, or disability***
- ***respect for the freedom of association***
- ***protection of the environment from harmful soil, water, and air pollution***
- ***avoidance of harmful noise emissions and excessive water consumption, e.g., through waste disposal in accordance with local regulations and efficient utilisation of energy and other resources***
- ***compliance with the ban on the export and import of hazardous waste***

and other aspects that promote the sustainable, social, and environmentally conscious development of society.

DEFINITION OF HUMAN RIGHTS AND ENVIRONMENTAL EXPECTATIONS OF EMPLOYEES

All employees of the companies of the himolla-Group are required to comply with and implement the due diligence obligations to which the himolla-Group is committed.

DEFINITION OF HUMAN RIGHTS AND ENVIRONMENTAL EXPECTATIONS OF SUPPLIERS

We expect our business partners to also commit to respecting human rights, to establishing appropriate due diligence processes and to passing on these expectations to their own suppliers.

DECLARATION BY THE MANAGEMENT

This declaration of principles is regularly adapted to the necessary and appropriate requirements as required.

QUESTIONS AND CONTACT

If you have any questions about this Policy Statement or any other human rights or environmental law related issues, please contact:

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